



# South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

## ECONOMIC TRENDS

Adverse weather that stunted late winter construction and landscaping combined with falling early spring retail sales activity to send the seasonally adjusted unemployment rate up a notch for the Twin Falls-Jerome area in March. The labor force and total employment slipped by nearly 1,300 from February at a time when employers typically are gearing up for the busy summer season. Home improvement stores did begin hiring for their garden centers, and that helped keep the unemployment rate from edging higher than 2.7 percent.

The regional economy continues to diversify. While the smaller communities are not growing the way the larger cities are, they are contributing to the region's overall economic stability with clusters of specific industries that feed on one another. Dairy is an obvious example, attracting new cheese factories, anaerobic digesters that reduce odor and waste while producing natural gas, feed stock producers and ethanol plants that eventually provide wet distillers grain for the cows along with expansion of the rail and trucking companies that move the products. Table 2 on page 23 compares the region's top five sectors in total wages, jobs and average wages in the third quarter of 2006 to the third quarter of 2002. It demonstrates clearly how specific industries such as retail provide more jobs but at less pay than other industries. Total wages for retail have grown over 23 percent in those four years while the job growth was less than a third that at under 7 percent. However, this inverse relationship is likely the result of tight labor markets throughout the south central region and many other parts of the state and nation. Retailers are making do with their current staff, providing them with more hours. The decline in jobs and payroll in local government and the jump in health care payrolls reflects the shift of hundreds of jobs from the government sector to the

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Mar 2007*	Feb 2007	Mar 2006	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	47,790	49,050	48,360	-2.6	-1.2
Unemployment	1,310	1,300	1,700	0.8	-22.9
% of Labor Force Unemployed	2.7	2.6	3.5		
Total Employment	46,480	47,750	46,660	-2.7	-0.4
<i>Unadjusted</i>					
Civilian Labor Force	47,220	48,300	47,910	-2.2	-1.4
Unemployment	1,560	1,660	1,890	-6.0	-17.5
% of Labor Force Unemployed	3.3	3.4	4.0		
Total Employment	45,660	46,640	46,020	-2.1	-0.8
<b>JOBS BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	38,620	38,360	37,470	0.7	3.1
<i>Goods-Providing Industries</i>	7,270	7,050	6,520	3.1	11.5
Natural Resources & Mining	30	30	30	0.0	0.0
Construction	2,240	2,110	2,150	6.2	4.2
Manufacturing	5,000	4,910	4,340	1.8	15.2
Food Manufacturing	2,660	2,640	2,450	0.8	8.6
Other Manufacturing	2,340	2,270	1,890	3.1	23.8
<i>Service-Providing Industries</i>	31,350	31,310	30,950	0.1	1.3
Trade, Transportation & Utilities	9,340	9,590	9,510	-2.6	-1.8
Wholesale Trade	1,850	1,830	1,850	1.1	0.0
Retail Trade	5,170	5,440	5,630	-5.0	-8.2
Utilities	110	140	160	-21.4	-31.3
Transportation & Warehousing	2,210	2,180	1,870	1.4	18.2
Information	630	620	610	1.6	3.3
Financial Activities	1,550	1,590	1,700	-2.5	-8.8
Professional & Business Services	4,350	4,290	4,330	1.4	0.5
Educational & Health Services	4,980	4,960	3,300	0.4	50.9
Leisure & Hospitality	3,120	3,040	2,960	2.6	5.4
Other Services	1,460	1,440	1,360	1.4	7.4
Government Education	3,480	3,330	3,330	4.5	4.5
Government Administration	2,440	2,450	3,850	-0.4	-36.6

\*Preliminary Estimate

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

health care sector at the Magic Valley Regional Medical Center when it was bought by St. Luke's in mid-2006. Agriculture is a sector that is likely under-reported due to the nature of the tax laws that do not require employers to pay into unemployment insurance if specific criteria is met, but it does rank high in number of jobs particularly during the July, August and September quarter, which is a peak employment period for this industry. Manufacturing ranks in each category because of the new com-

South Central Table 2: Top Five Industries by Total Wages, Jobs and Average Hourly Wages, Compared, 2002 and 2006			
INDUSTRIAL SECTOR	2006	2002	% change '02-'06
<b>TOP FIVE INDUSTRIES BY TOTAL WAGES</b>			
Manufacturing	73,322,996	60,877,659	20.44%
Local Government	60,716,935	64,086,228	-5.26%**
Retail Trade	59,403,071	48,066,805	23.58%
Professional & Business Services	56,232,392	42,443,904	32.49%
Educational & Health Services	54,631,095	31,056,824	75.91%**
<b>TOP FIVE INDUSTRIES BY TOTAL JOBS</b>			
Retail Trade	10,076	9,432	6.83%
Agriculture, Forestry, Fishing and Hunting	9,261	8,177	13.26%
Local Government	8,823	9,678	-8.84%**
Manufacturing	8,380	8,664	-3.28%
Professional & Business Services	8,114	8,124	-0.12%
<b>TOP FIVE INDUSTRIES BY AVERAGE HOURLY WAGE</b>			
Federal Government	\$25.49	\$19.59	30.07%
Utilities	\$19.30	\$15.89	21.46%
Wholesale Trade	\$17.44	\$13.74	26.93%
Manufacturing	\$16.86	\$13.54	24.53%
Financial Activities	\$16.70	\$13.83	20.76%

panies that have relocated to the region, and automation has eliminated some unskilled jobs while focusing on hiring more skilled workers at higher wages. Many manufacturers tied to the agricultural base are firmly entrenched in south central Idaho. They are either investing in the physical plant, machinery and equipment or in additional manpower depending on their individual circumstances. The number of manufacturing jobs declined since 2002 because several large plants closed in Burley and Jerome, and while new businesses have relocated their work forces have not grown enough to offset those original losses. Professional and business services, education and health services and financial services are largely driven by population. With the region's population growing faster than the nation, these sectors will continue to expand. The relatively minor drop in jobs in professional and business services is attributable to a call center closure and the loss of momentum for temporary staffing agencies as the available labor pool keeps getting smaller. Workers who once settled for temporary jobs are now finding permanent employment as businesses scramble for a dwindling number of qualified workers.

#### TWIN FALLS COUNTY

- Wal-Mart has gotten approval to begin building its supercenter in Twin Falls. The big box retailer hosted

several informational meetings in April, showcasing the layout of the store and its potential benefits to the community. The development includes two pads the company will sell off in the future. A privately-owned pad and piece of ground zoned for commercial development such as offices is adjacent. The average supercenter is 185,000 square feet, but the one in Twin Falls will be 203,000 square feet with a drive-thru pharmacy and garden center, and a tire and lube center. The average supercenter carries approximately 142,000 items. Wal-Mart reports collecting over \$70 million in Idaho sales tax and paying over \$10 million in state and local taxes during the company's most recent fiscal year. Wal-Mart claims that in its 2006 fiscal year it spent over \$260 million for merchandise and services from 322 Idaho suppliers, supporting 17,336 supplier jobs in the state. Wal-Mart will share the \$2.5 million cost of building a road along the south side of the supercenter and the hospital, along with some landscaping and architectural requirements. The retailer has agreed to customize its lighting to limit glare and light pollution.

- Plans for the new St. Luke's Magic Valley Regional Medical Center in Twin Falls continue with hospital management optimistic that a ground-breaking will occur toward the end of May. Initial projections for completion are mid-year 2010.
- Swensen's Market, whose co-owners include Marian Swensen and his nephews Andrew and Ben Swensen, will have a new 20,000-square-foot store to serve the South Park area. The store is scheduled to open May 21 and will replace an existing and much smaller store. The Swensens have been hiring over the past year for management positions and anticipate hiring an additional 15 workers for daily operations. Swensen's has been in business in the Magic Valley for over 50 years. The store was originally opened by Sherman Swensen. There are also stores in Paul and Rupert. The Swensen team has created a market niche that includes home delivery service to residents of Twin Falls, e-mail marketing and specialty produce and groceries for the growing Hispanic population.
- The College of Southern Idaho continues to redefine its space as dirt is moved for the new softball/ baseball field across from the main campus on the Breckenridge Endowment Property. Dugouts, press box and lighting will be added in future years. The new building for the nursing program will be the first building constructed off the main campus in this same general area. The administration and board would like to realign part of North College Road to create a more pedestrian-friendly area with North College Road running around the campus expansion.

- The big news in Buhl is the acquisition of the former Coors hops facility by a company that is moving its corporate headquarters from Utah to Buhl — Disco Associates Inc. The company is also involved in engineering consulting, design and construction, and it is planning a biodiesel plant for Buhl that would begin production in 25 months with a payroll of up to 100 producing 40 million gallons of refined oil for use directly in diesel engines. This will be a research plant and may be a prototype for other plants around the region. The company has acquired land, planting 34 acres in canola. Disco has applied an agronomic model that includes all the project's impacts on the community, including agriculture. It estimates an economic impact of \$145 million in addition to sales of over \$180 million once operations are in full swing. In June, Disco will begin building its corporate headquarters in Buhl for 22 employees, some of whom have already moved to Idaho. The infrastructure development prompted by Disco should enhance Buhl as a location for other companies to set up operations in the area that could essentially become an industrial park. Disco intends to sell its biodiesel directly to the city and school district for their motorized fleets at a rate that would realize the savings in transportation and handling. A retail fuel station will also be available to area residents. The Disco headquarters building will protect the dark skies by focused and low energy lighting, and the company will not use genetically modified or engineered rape seed in its process while high-protein byproducts will be sold to local dairies. The company anticipates using 44,000 bushels of canola per day. Initially about 25 percent will be grown locally but eventually 75 percent of the canola should come from local fields. The canola plant is drought resistant and requires few inputs so the amount of energy required to produce this biodiesel product does not surpass its energy potential, making it a more economical choice compared to other renewable fuels.

- The Country Greenhouse has new ownership. The former owner, Galen Jantz, established the business 10 years ago and last fall sold it to the Schmidt family on the understanding that his daughter, a four-year employee at the Country Greenhouse, would train the Schmidts on daily operations. In the past, the business closed in July, but the new owners intend to keep it open longer with an inventory of summer stock and redwood furniture.

#### MINIDOKA AND CASSIA COUNTIES

- The Burley Army National Guard Armory building will be remodeled this year. The million-dollar project starts in May and should be completed by December. It includes interior and exterior renovations, a

reception room, a new heating and cooling system and a new roof. Security will be enhanced by adding pillars to the exterior of the building so terrorists cannot drive into the armory. The facility will be open for community use after the renovation.

#### BLAINE COUNTY

- The 71<sup>st</sup> ski season for Sun Valley Co. did not exceed last year's stellar performance. Sun Valley experienced less than average snowfall and lift pass usage was down despite season pass sales running ahead of 2006. Sun Valley is the grand dame of ski resorts, dating back to 1936 when Union Pacific Railroad Chairman Averill Harriman opened the resort after only seven months of construction. Currently, the resort boasts a total lift capacity of 26,780 skiers an hour, more lift capacity per skier per hour than any other ski area. The mountain assures maximum skiing experience by moving skiers up the hill with high speed exuberance including seven quads, five triples, five doubles and four surface lifts.

Dollar Mtn and Baldy Mtn	2005-2006	2006-2007	% Change
Number of Skiers	420,517	362,317	-13.84
Length of Season	152 days	137 days	-9.87
Natural Snow Cover	300 inches	144 inches	-52%

This year's pass usage was down between 10 percent and 20 percent, depending on the pass program. The resort said the drive market, which includes Twin Falls, Boise and the surrounding area, contributed to the gap.

2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
365,267	384,897	386,908	420,517	362,317

Sun Valley Company intends to implement major changes this summer season including:

- » Replacing two Dollar Mountain chair lifts with detachable quads.
- » Completing the new Symphony Pavilion by mid-2008.
- » Opening the new Gun Club Nine Golf Course in spring 2008.
- » Providing service at Trail Creek Cabin for the first time in 70 years to the hikers, bikers and sightseers who ride up Baldy Mountain on the chair lifts in the summer.

- » Reopening the Gun Club in June at its new location on the north side of Trail Creek Road.
- » Refurbishing of the 33-year-old indoor skating rink this spring. The rink is home to the Sun Valley Suns men's hockey team.
- Paul Kenny's Ski and Sports will move to the downtown Ketchum area under the new name PK's Ski and Sports this summer after over 20 years on Warm Springs. The owners were concerned that they may lose their lease in light of hotel construction planned at Warm Springs village. They also believe downtown offers a great opportunity to capitalize on summer trade.
- The Gold Mine, renowned for the finds that locals and tourists alike delight in unearthing, has been remodeled on the interior after receiving a new roof

last fall. Value-minded shoppers have been coming to the Gold Mine for 51 years, and the recipient of these profits is the community library. The Gold Mine was originally created by enterprising pioneer women, who acknowledged the small tax base could not support a library. The Gold Mine will now have seasonal displays of house wares, apparel and sports equipment in addition to the usual apparel items. It was time to freshen up the store, and the library board acknowledged that "the Gold Mine can change just a little bit but not too much."

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## Idaho Labor Market Information Fast Facts

### IDAHO'S GROSS STATE PRODUCT

The total value of all the goods and services produced in Idaho grew to nearly \$47.2 billion in 2005, up 8.4 percent over 2004's \$43.5 billion, the ninth highest growth rate in the nation. And Idaho's gains in real gross state product was up 7.4 percent, ranking fourth behind Nevada, Arizona and Florida. Idaho led the nation in growth in retail and wholesale trade, and since 2002 durable manufacturing has grown 72 percent, second only to New Mexico. While durable manufacturing has declined as a percent of the national gross product over that period, it has risen in Idaho from 7.8 percent in 2002 to 10.4 percent in 2005. *Source:* [Bureau of Economic Analysis](#)

### BUSINESS GROWTH

In 2006, 29,883 new businesses filed with the Secretary of State, positioning Idaho as sixth in the nation for creating new businesses and fourth nationally in the growth of venture capital investment. This was a 5 percent increase over 2004.

*Source:* [Idaho Secretary of State](#)

### CONSTRUCTION

After Idaho's construction value hit a record \$4 billion in 2005, up 31.5 percent from 2004, activity slowed through 2006 with the final total at nearly \$3.9 billion, off just 4 percent and the second best year on record. Total permits were off 2.6 percent to just over 42,300. Increased value in commercial construction was not enough to offset a \$415 million drop in residential values. Construction jobs have been driving employment growth across the state for several years. *Sources:* [Wells Fargo Idaho Construction Report -December 2006](#); [Idaho Commerce & Labor](#)

### PERSONAL INCOME

Total personal income in Idaho in 2006 was \$43.9 billion, up 7.9 percent from 2005. That was the eighth highest growth rate in the nation and well above the national average. Construction, manufacturing, retail, health care and professional and technical services were the big contributors.

Three of Idaho's five urban areas saw personal income grow faster than the 5 percent rate for cities in general from 2004 to 2005. Coeur d'Alene recorded a 7.5 percent increase, the Boise/Nampa Metropolitan Statistical Area was up 7.2 percent and Idaho Falls rose 6.7 percent. Pocatello matched the national average at 5 percent while the Lewiston area came in at 3.1 percent.

*Source:* [Bureau of Economic Analysis](#)

### PER-CAPITA PERSONAL INCOME

Idaho's per-capita personal income increased 5.2 percent, or \$1,474, from \$28,478 in 2005 to \$29,952 in 2006. Nationally, per capita personal income increased 5.2 percent, or \$1,801, to \$36,276.

The urban centers — Boise, Coeur d'Alene and Lewiston areas — showed income increases from 2004 to 2005 below the national average for cities of 4 percent while both Pocatello and Idaho Falls had increases slightly higher than the national average.

*Source:* [Bureau of Economic Analysis](#)

*For more fast facts, check out the Idaho Labor Market Information Web site at [lmi.idaho.gov](http://lmi.idaho.gov)*